

EXHIBIT

REDACTED

**Reader Friendly
Version**

AT.c Big Kahuna

Business Plan

Product Management

Product Stakeholders

Product Owner(s): Greg Easterly
Product Planning Manager: Mike Kolb
Product Operations Manager: David Pyle, Keith
Burnette, Chad Iverson



AutoTrader.com

All bidders will be notified that they are making a binding offer to purchase the vehicle subject to the car and terms of sale being described accurately in the listing by the seller. They will also be notified that even if their bid does not immediately meet reserve, they are bound for 12 hours IF the seller reduces his/her reserve below the bidder's maximum bid. If this occurs more than 12 hours after the bid is placed, the bidder will have an opportunity to reaffirm his/her bid, or indicated that he/she is no longer interested.

High proxy bid amounts will be displayed on the auction listing in as close to real time as possible, much as they are on eBay. Because bidder usernames will be email addresses (which should not be publicly displayed), the high bid will be displayed with the high bidder's first name, last initial and state of residence. Each bidder's name will also be displayed with a number representing the number of unique vehicles on which they are currently bidding. This will provide sellers an indication of how serious this bidder is.

All bidders will be encouraged to protect themselves, and will be educated on what free or low-cost services are provided by AutoTrader.com and its partners. These should include vehicle history reports, 3rd party inspections, service contracts, transaction insurance, mediation, possibly escrow (though dealers largely ignore this option on eBay) and transportation services.

Bidders will be able to bid any amount above the seller's pre-set minimum bid. In the event a bidder's bid is higher than the seller's minimum sell price, both parties will be notified that they have reached a binding price by an indicator within the listing.

Both high bidder and seller will also be notified if a subsequent, higher bid is submitted. The previous high bidder will have the option to return to the listing and submit a higher bid.

Bids in the last five minutes of an auction will automatically extend the duration of the auction for another five minutes. Each subsequent bid in the extended auction time extend the auction by another five minutes to ensure sellers that they have obtained their bidders' highest offers.

Purchase Now will be an important feature in AT.C's auction market. Sellers will be able to set a Purchase Now price which, when met, closes an auction automatically. Purchase Now will be available to all sellers free of charge. Purchase Now prices can be equal to or above a car's reserve, and do not disappear as bidding occurs below the Purchase Now price.

When a bidder commits to a Purchase Now transaction, the auction will be ended (publicly), but AT.C's auction management tools should accommodate "restarting" these auctions if a Purchase Now bidder turns out to be a deadbeat.

AT.C should investigate the use of a renege penalty for deadbeat bidders, or an automatic deposit for all bids placed which meet or exceed a reserve or Purchase Now price. The system would automatically deduct \$35 from the bidder's credit card on file in these instances, and place these fees in an account for the seller of the vehicle in question.

If the buyer purchased the car, the \$35 deposit would be deducted from the purchase price. If the bidder reneged, the fee would offset the seller's cost to relist the vehicle. The facilitation of these debits and credits among thousands of buyers and sellers may be costly, however, and the presence of an automatic credit card debit may reduce bidder's willingness to register and bid.

As stated, AT.C's auction marketplace will use proxy bidding. The system will record all bidder's maximum bid amount, and automatically bid for them to the point where they have beaten the next highest bidder. Proxy bids that meet the seller's reserve will result in the bid matching the reserve price and notifying buyer and seller that they have reached an agreeable price. Bidders will be allowed to outbid themselves in AT.C's marketplace.

The proxy bidding system will be augmented by AT.C's auction management interface and update emails, which will provide buyer and seller with near-perfect information on bidding activity and how close the maximum bid amounts (rather than the publicly displayed proxy bid amounts) are to reaching an agreeable price.

Without this mechanism, many potential transactions will not occur because buyer and seller are unable to ascertain how close they really are.